

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, June 16, 1949.

PRESENT: Mr. McCabe, Chairman
Mr. Draper
Mr. Evans
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 15, 1949, were approved unanimously.

Memorandum dated June 15, 1949, from Mr. Young, Associate Director of the Division of Research and Statistics, recommending increases in the basic annual salaries of the following employees of that Division, effective June 26, 1949:

Name	Title	Salary Increase	
		From	To
Irving Schweiger	Economist	\$4,479.60	\$4,605.00
Stanley J. Sigel	Economist	4,479.60	4,605.00
Mary M. Maroney	Economist	4,354.20	4,479.60
Margaret R. Garber	Research Assistant	3,476.40	3,601.80
Mary F. Weaver	Clerk	3,601.80	3,727.20
Mary White	Clerk	3,601.80	3,727.20
Lois I. Steidel	Clerk	2,573.52	2,648.76
Evelyn L. Hempstead	Clerk-Stenographer	3,100.20	3,175.44
Mary T. Clarke	Clerk-Stenographer	2,874.48	2,949.72

Approved unanimously.

Memorandum dated June 15, 1949, from Mr. Millard, Director of the Division of Examinations, recommending that the official headquarters of Arthur H. Lang, a Federal Reserve Examiner in that Division, be changed from Cleveland, Ohio to Washington, D. C., effective

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June 16, 1949.

Approved unanimously.

Letter to Mr. Wayne, Vice President of the Federal Reserve Bank of Richmond, reading as follows:

"In view of the recommendation contained in your letter of June 6, 1949, the Board of Governors extends to July 1, 1950, the time within which The Capon Valley Bank, Wardensville, West Virginia, shall reduce the carrying value of its investment in bank premises to an amount not exceeding \$25,000. The Board's approval is given with the understanding that depreciation of the bank premises and furniture and fixtures is to be provided for in accordance with the plan outlined in your letter to the bank dated May 25, 1949."

Approved unanimously.

Letter to the Honorable Brent Spence, Chairman of the Committee on Banking and Currency, House of Representatives, reading as follows:

"This refers to the bill H.R.4710, To amend the Home Owners' Loan Act of 1933, with respect to Federal savings and loan associations, which is now pending before your Committee. Since, pursuant to a request from the Senate Committee on Banking and Currency, the Board is making a report on the bill, S. 2006 which is identical with H.R.4710, it is believed desirable to make a similar report to your Committee.

"Under existing Federal law, there is no provision for the establishment of branches by Federal savings and loan associations, but it is understood that the Home Loan Bank Board has authorized the establishment of branches by such associations in some instances. It is felt that the policy with respect to this matter should be prescribed by Congress as has been done in the case of national banks, and the bill H.R.4710 follows the pattern which Congress has established with respect to branches of national banks. Congress has recognized the desirability of permitting the States to determine

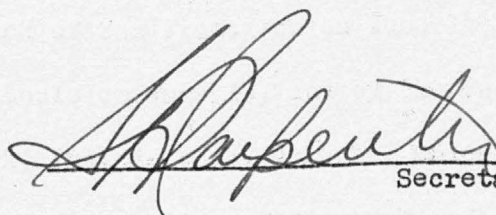
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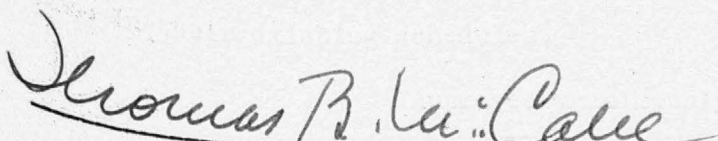
whether branch banking shall be permitted within their borders by providing that national banks shall establish branches only to the same extent and within the same territory in the respective States as State banks. It would be consistent and equally desirable to restrict the establishment of branches by Federal savings and loan associations in the same manner, as is proposed in the bill referred to above. We hope that your Committee will give favorable consideration to this proposal.

"We are advised that the Bureau of the Budget has no objection to the submission of this report to your Committee."

Approved unanimously, together with similar letter to the Honorable Burnet R. Maybank, Chairman of the Committee on Banking and Currency, United States Senate.


Secretary.

Approved:


Chairman.